



Public Works
Special Districts

CSA 70 CG Rate Presentation
January 18, 2023

“We promote the safety, health and enrichment of the communities we serve by providing essential municipal services along with diverse community-based programs in an efficient and sustainable manner”

- Special Districts Mission Statement



Steve Samaras, Division Manager

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- Special Districts are created to deliver specialized services essential to health, safety, and well-being of communities. In many areas, communities have no other means of accessing these critical services.
- The Department of Public Works, Special Districts oversees administration, operations, capital improvement and maintenance of 17 water and sanitation Districts throughout the County.
- The last rate increase for your District was approved by the Board of Supervisors during the 2017/2018 fiscal year with the annual escalator expiring in 2021/2022. The commodity charge was reduced and the fixed meter charge was increased. Overall costs to operate these systems continue to rise, jeopardizing near and long-term sustainability.



FACTS – NOTABLE INCREASES IN EXPENSES

- **Last Rate Increase**
 - 2017-18
- **Labor & Equipment**
 - Board approved labor increases average 3%* per year 2017 - 2020
 - Wells, pumps, boosters, electrical component increases
- **Materials**
 - Steel, PVC, Hoses & fittings, chemicals
 - Materials Increase 15.6%**
- **Outside Vendors/Contractors**
 - CA Prevailing Wage Rates up 19%*** from 2017
- **Utility Costs**
 - Electricity to run building, wells & pumps
 - Building Lease (field staff equipment)
 - CLAWA 2019 - 2022 rate increased by 26.5%****
- **Regulatory Obligations**
 - California Air Resources Board (CARB)
 - State Water Resources Control Board (SWRCB)
 - U.S. Environmental Protection Agency (EPA)

* IBEW MOU Increase 2017- 2020
** CA CCCI Construction Cost Index 2016-2020
*** California Department of Industrial Relations
**** Purchased water from CLAWA

- Pooled staff and equipment
- Grant funding of major projects
- SCADA remote system monitoring
- Power/load shedding and off peak pumping

- A flat **3.5%** rate increase is proposed to all Districts. The proposed increase is for **3** consecutive years.
- Rate increase proposed aligns with average California Consumer Price Index (CPI) between 2017 and 2021 to ensure service levels are maintained and keep pace with rising costs.

Current Water Rate Tier 1: \$9.09

Rate increase Year 1 - \$9.41

Rate increase Year 2 - \$9.74

Rate increase Year 3 - \$10.08

Current Facilities Charge (FC): \$31.81/month ¾" meter

FC Year 1 - \$32.92

FC Year 2 - \$34.07

FC Year 3 - \$35.26

MOUNTAIN WATER TERRITORY (TIER 1 PRICE PER HCF)

Agency	District	Region	Commodity	Price per HCF (Tier 1)								2014/2021 Increase
				2014	2015	2016	2017	2018	2019	2020	2021	
Crestline Village	N	Mountain	Water	\$ 4.20	\$ 4.20	\$ 4.20	\$ 4.20	\$ 4.20	\$ 4.20	\$ 5.10	\$ 5.10	21%
Running Springs	N	Mountain	Water	\$ 3.87	\$ 4.06	\$ 4.26	\$ 4.47	\$ 4.69	\$ 4.83	\$ 4.98	\$ 5.13	33%
CSA 70 Cedar Glen	Y	Mountain	Water	\$ 10.15	\$ 10.15	\$ 10.15	\$ 8.08	\$ 8.32	\$ 8.57	\$ 8.83	\$ 9.09	-10%

CSA 70 Cedar Glen priced higher primarily due to economies of scale: Cedar Glen 326 connections, Running Springs 3,065 connections.

CSA 70 CG PROJECTS

Status	Project Name	Project Scope	Est. \$\$
Seeking grant funds	Water distribution system ongoing replacements	Upgrade underbuilt facilities	\$6,100,000
Seeking grant funds	Tunnel headwall rehabilitation and tunnel repairs	Regulatory replacement of headwall, dredge silt and shore up collapsed sections	\$1,200,000
Seeking grant funds	Lead and Copper service line investigations	Excavate service lines, inspect and replace if necessary	\$350,000



- Special Districts has a duty to maintain financial health of service areas, and is proposing a modest increase to offset demonstrable increases to labor, materials, equipment, and additional regulatory obligations
- Proposed rate increase of 3.5% is in alignment with California CPI to offset for rising costs
- Rate increase proposed for 3 years, with a re-evaluation of high-risk Districts prior to the end of final year
- Increase in costs continue to strain administrative and operational service levels
- As needs arise, recommend utilizing long-term debt to address underfunded reserves for capital projects

